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PRESENT STATUS OF EXTENSION MARKETING PROGRAMS AND EXAMPLES OF THE WORK

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My presentation is divided into four parts: nature of Extension marketing programs; extent and relative importance of marketing programs; selected examples of extension marketing programs; and some considerations for future development of programs.

Nature of Extension Marketing Programs

Extension marketing programs are based on research and well-established principles. The approach used in different States and in different fields varies. It seems to us, however, that there are certain important steps in developing and conducting successful extension marketing programs which might be worthy of mention. These are: (1) analyzing the problems with the people concerned; (2) study available facts and consult with research workers where additional facts are needed; (3) taking the research and other information bearing on the problem to the people; (4) discuss alternative solutions and consequences; and (5) then the people concerned make the decision regarding the course of action to be taken. This latter step may be preceded by demonstrations to illustrate the value of the application of these solutions.

Demonstrations are an essential part of most successful commodity and functional marketing programs today. This method of "learning by doing" and by observation has always been an essential part of extension programs.

Extent and Relative Importance of Extension Marketing Programs

A total of 46 States and 3 territories have extension marketing programs. The State marketing specialist budget amounts to about $3\frac{1}{2}$ million dollars -- about three-fourths Agricultural Marketing Act and one-fourth Smith-Lever budgets. Approximately 345 specialist positions are financed with these budgets.

The total budget for State extension marketing specialists increased rather rapidly, relative to the increase in the total specialist budget, during fiscal 1955 and 1956. About one-third of the total number of specialist positions added during these years were in fields of marketing. Today the marketing

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specialist budget makes up nearly 15 percent of the total specialist budget.

The emphasis placed on expanding marketing programs during recent years has varied greatly in different States. The ten States spending the most on marketing educational programs are using 39 percent of the total AMA matched and Smith-Lever funds budgeted for marketing. Of the total spent in these States, about three-fourths is from Agricultural Marketing Act budgets. The annual marketing budgets in these States varies from about \$250,000 to \$95,000.

The relative importance of various types of programs, in terms of funds budgeted, is available only for Agricultural Marketing Act projects. The breakdown of the use of AMA matched funds by type of program in fiscal 1956 is as follows:

<u>Program</u>	<u>Percentage of Total Budget</u>
Marketing Information for Consumers.....	31.2
Fruit and Vegetable.....	14.9
General Crops.....	10.5
Livestock and Wool.....	10.3
Poultry and Egg.....	9.8
Dairy.....	7.7
Marketing Information.....	7.3
Food Merchandising.....	7.2
Marketing Facilities.....	1.1
	100.0

Greatest growth has been experienced in the marketing information program for consumers in the past 2 years. State budgets for these programs increased about 75 percent in fiscal 1956 over 1955. Considerable interest has developed in food merchandising programs for consumers, as indicated by the fact that about 20 States have specialists working on this program (varying in man equivalent from 4 to less than 1). Additional interest has been developed in the utilization of agricultural products. Four specialists positions were established in the Federal Extension Service budget in fiscal 1955 to provide educational work with the Regional USDA Laboratories and several States are now considering the further development of programs in these areas by development of State projects on programs.

Examples of Extension Programs

An adequate array of examples would include representative programs in the various areas and different groups with which educational work is being conducted.

They would include work with farmers, assemblers, storage operators, processors, wholesalers, retailers and consumers.

Time does not permit such an array but a few examples will illustrate the nature of our programs. These examples were taken from annual reports of State specialists.

Livestock marketing projects are being carried on in about one-half of the States under AMA funds and several others under Smith-Lever funds. Problems on which work is being directed include: (a) bringing about a greater understanding and use of grades; (b) improving market facilities and methods of operation for handling, grading and grouping livestock; (c) reducing losses from bruising and shrinkage; (d) reducing the sizeable fluctuations of daily and weekly receipts and prices at public markets and achieving a more efficient use of labor and facilities; (e) expanding market outlets; (f) disseminating market and outlook information and assisting in its interpretation as a guide to adjusting production and marketing to anticipated demands. Examples of specific parts of programs include:

- A. In North Carolina surveys were conducted for use of the livestock industry in studying marketing problems. One survey was made to determine the volume and method of buying cattle by slaughterers. It was used as a basis for study and meeting with packers and producers in which suggested improvements in buying practices were given thorough consideration. Data obtained through another survey of livestock market facilities in 14 counties were used in special planning conferences with producers and livestock market operators in each of the counties. Publications issued during the year included: "Grading and Culling Beef", "Seasonal Variations in Beef Prices", "Beef Cattle Slaughter Plants."
- B. After studying problems associated with marketing livestock in Mississippi and presenting this to producers, an organization known as the Mississippi Livestock Producers Association was developed by producers for the purpose of providing new market outlets and setting a pace for more efficient marketing and selling on the basis of grade. Over 1,300 producers subscribed to \$212,000 worth of common stock for financing the Association. Improvements in marketing practices have already been noted as a result of this activity.

Considerable interest is being shown in the educational program on food merchandising. The objective of this program is to assist wholesalers, retailers and secondary suppliers in improving the efficiency of their operations by reducing losses, improving operations, and increasing sales. Examples of this work include:

- A. In Alabama this program has been developed as an integral part of the county extension program. Last year more than 1,000 retailers were assisted. County advisory committees are utilized in planning educational programs for retailers. Clinics on the handling and merchandising of fruits and vegetables, meat, and dairy products were held in this State. A State-wide food merchandising clinic was sponsored by the Extension Service in cooperation with the food trade. At this clinic examples of successful store operations, outlook information and research in the handling and merchandising of food were presented.
- B. In Indiana an active steering committee, made up of representatives of the food trade has aided in planning, organizing and promoting this program. More than a thousand food retailers attended educational meetings on the handling and merchandising of meat, poultry and fruits and vegetables during the past year. A series of general grocery meetings were held in 8 cities with 627 retailers in attendance. Information covering the results of research on improved handling and merchandising practices, business outlook, and other problems of concern to retailers, was presented at the meetings. A State-wide clinic is held each year on research results in the retailing field of interest to retailers in that State. The University staff, as well as representatives of leading independent and chain stores, handle instruction.

In dairy marketing, emphasis generally has been placed on (1) outlook, (2) explaining objectives and methods of operations of federal milk marketing orders in States where they existed or were contemplated, (3) analyzing and explaining supplies, demand, prices of milk and dairy products for local interpretation, (4) improvements in the quality of milk and cream marketed and of manufactured products, especially butter, (5) seasonality of supply in the market, (6) application of new developments, such as bulk tank handling, dispensers and vending machines, and (7) providing information to consumers about milk and its products.

Areas which have received attention in poultry marketing include (a) quality maintenance, (b) market organization, (c) facilities, (d) assembling, processing and merchandising practices, (e) expansion of markets, and (f) market and outlook information. Following are examples in this area of work:

- A. An educational program in poultry marketing was established in Delaware during 1950 with the objective of improving the quality of dressed poultry and increasing the marketing efficiency. A study to determine the causes of bruises in poultry and methods of reducing them had shown that between 7 and 17 percent of all poultry was bruised seriously enough to cause loss. Based on the results of this research study, an intensive educational program with broiler producers and processors was initiated. It was demonstrated that when producers and processors assumed mutual responsibility for reducing this economic waste results were outstanding. Many plants now report that they have reduced their losses caused by bruises by at least 50%. There has also been a noticeable improvement in the quality as a result of the application of improved processing methods, better plant grading, and more accurate sizing. Processing costs have been reduced and the margin between live and processed poultry reduced, perhaps as much as one cent per pound.
- B. In Georgia special emphasis has been given to working with all segments of the egg industry in establishing the practice of buying and selling eggs on a quality basis. During 1954 there were 16 egg buyers who established the practice of buying on the basis of grade. There are more than 40 egg buyers now who have established the practice of buying and selling eggs on grade. Educational work is also being done with poultry processing plants on improving facilities, quality maintenance, sanitation and merchandising.

Most important fruit and vegetable producing States have one or more fruit and vegetable marketing specialists. The primary objective of extension fruit and vegetable marketing programs is to increase the efficiency of the marketing process. Improved efficiency through changes in market organization and structure, physical facilities, equipment and work methods was an important part of the program in most States. For example, in Virginia assistance was given in the analysis of the need for and organization of farmers produce market in Charles county through which more than 300 thousand dollars worth of produce was marketed. In Mississippi extension personnel carried on a very effective program with wholesalers, shippers and producers relative to more efficient utilization of market facilities on the farmers' market in Jackson. Work is being carried on on the utilization of fruits and vegetables in Maryland. A project has been developed involving marketing specialists

engineers and food technologists aimed at increasing the efficiency of processing plant operations in that State. In New York considerable work has been done on the storage and bulk handling of onions. Research and experience of farmers in other States had pointed to opportunities for reduced costs. First discussions on this subject were held at winter meetings two years ago, prior to the adoption of bulk handling of onions by New York growers. Specialists and agents advised growers regarding the planning and operation of storages. Since this educational program was started, bulk storages have been built with a capacity of about one-third million bushels. Storage savings have amounted to about 25¢ per bushel. With the shift to bulk handling and storage, many questions arose, both economic and biological. Research is now being directed to obtain the answers.

The Marketing Information Program for Consumers has as its objective (1) to aid in the orderly marketing of agricultural products; (2) to assist in more effective utilization of agricultural products; (3) to help consumers get maximum satisfaction from their purchases of agricultural products and (4) to help consumers get a better understanding of the marketing system, functions and problems. There are projects in 62 cities, employing 90 professional people, located in areas where about one-half of the urban population live. Marketing information for consumers is assembled and interpreted in terms of the local situation and disseminated through radio, television and newspapers. Acceptance of the program by these media may be indicated by the fact that much radio and television time and newspaper space is provided at no cost to Extension. In one State the time and space provided free for these media is estimated at 50 thousand dollars per week.

The cotton utilization program, started in fiscal 1955, has included more efficient use of raw materials through broader knowledge of cotton quality, encouraging the adoption of improved methods and practices of processing and the manufacturing of special end products to meet particular consumer needs. The project leader is located at Clemson and has worked mostly with southern manufacturers. An example of the type of projects on which educational programs have been centered is the use of the SRRL Opener developed to "fluff up" cotton from bales and enable mills to clean it more efficiently. Latest estimates indicate that about 70 machines are now in operation. Savings, estimated at one-half of one percent in plants processing 15,000 bales per year, amount to 10 to 11 thousand dollars per mill as a result of savings in waste and improved processing. This program has been received well and encouragement has been received from such organizations as the American Cotton Manufacturers Institute and the National Cotton Council.

Some Considerations for the Future Development of Programs

In recent years many State directors have devoted much attention and budget to the development of marketing specialist programs. This is evidenced by the fact that about one-third of the new specialists employed during fiscal 1955 and 1956 have been in various fields of marketing. Additional specialists are needed in many States in both new lines of work (such as utilization, food merchandising with wholesalers and retailers and marketing information) as well as long-established lines of work.

Many leaders believe also that the marketing educational programs cannot be done by specialists alone. Only about 14 percent of all specialists are in marketing fields. Also, less than 4 percent of the agent's time is reported as being devoted to marketing. The limited time agents have devoted to marketing in the past may have been expected because the development of competence in most marketing fields requires special abilities and training in several subject-matter fields which agents have not generally had.

It is doubtful whether present county staffs can be expected to accomplish a great deal in improving the marketing of farm products unless they are given additional training and their efforts redirected. There are many on-farm marketing decisions such as when, where and how to market on which more educational work could be handled by agents if they were given more training and subject matter.

In the long run, it is doubtful whether an adequate marketing educational program can be carried on by State specialists unless their efforts compliment or supplement agents assigned to marketing areas. While State specialists must be available for highly technical work, marketing agents will undoubtedly be needed to handle much of the work in market areas, providing local contacts with Extension and the necessary follow-up. It would seem that as marketing educational work is further expanded, more attention should be given to having agents assigned specifically to marketing and located in market areas or centers. Some States that have moved in this direction are: Massachusetts, New York, Georgia, North Carolina, Missouri, Michigan and Texas. (These agents are sometimes called specialists).

The areas to which marketing agents should be assigned will vary greatly. It seems quite important that they be assigned to a market area, which in many, if not most cases, extends beyond county lines. This may call for a different organization from present extension operations in terms of administration and coordination of the work with agricultural agents. This was recognized by the extension directors committee on Organizing Marketing Programs, at the Extension Directors

Marketing Conference in Chicago, May 1954, when they recommended that one individual be given the responsibility for developing the marketing program in each State.

If most is to be accomplished from an educational program in marketing, more emphasis must be placed on work beyond the farm with country buyers, packers, processors, storage operators, distributors and consumers. Through the Agricultural Marketing Act, a good start has been made in working with these groups. This is evident from the fact that: 20 States have programs for wholesalers and retailers and 28 States and 2 territories have marketing information programs for consumers. Individuals assigned to marketing programs financed with funds from this Act devote a great deal of time to working with processors and/or distributors.

If an adequate program is to be developed, it will be necessary to reallocate resources or secure additional funds to fill the needs. The Extension Marketing Subcommittee of ECOP estimated in October 1952 that \$14,909,000 would be necessary to develop an adequate marketing educational program on a long-term basis.





